

# **EXHIBIT K**

## **LIQUIDATION ANALYSIS**

**LEXINGTON PRECISION CORPORATION**

**Liquidation Analysis as of August 31, 2009**  
**(in thousands of dollars)**

|  | <u>LRGI</u>   | <u>LPC</u>   | <u>Debtors</u> |
|--|---------------|--------------|----------------|
| Net proceeds of liquidation before related fees  | 30,906        | 9,389        | 40,295         |
| Trustee's commission (3%)  | (927)         | (282)        | (1,209)        |
| Legal fees   | <u>(600)</u>  | <u>(600)</u> | <u>(1,200)</u> |
| Net proceeds of liquidation  | <u>29,379</u> | <u>8,507</u> | 37,886         |
| Secured debt   |               |              | (32,152)       |
| Interest on secured debt during liquidation period   |               |              | (760)          |
| Debtor-in-possession loan  |               |              | (4,034)        |
| Interest on debtor-in-possession loan during liquidation period                                |               |              | <u>(200)</u>   |
| Net proceeds before payment of post-petition accounts payable and chapter 11 professional fees |               |              | 740            |
| Chapter 11 professional fees   |               |              | <u>(1,318)</u> |
| Shortfall  |               |              | <u>(578)</u>   |
| Net proceeds of liquidation available for unsecured creditors                                  |               |              | <u>-0-</u>     |

**LEXINGTON PRECISION CORPORATION**

**Projected Consolidating Balance Sheet at August 31, 2009**

(in thousands of dollars)

|  | Leington Rubber Group, Inc. |        |           |           |         |         | Parent Company |           |                   |                 |         |          |         |
|--|-----------------------------|--------|-----------|-----------|---------|---------|----------------|-----------|-------------------|-----------------|---------|----------|---------|
| ASSETS   | Warren                      | Jasper | Rock Hill | N. Canton | Ellijay | Other   | Subtotal       | Rochester | Discont.<br>Oper. | Corp.<br>Office | Other   | Subtotal | Consol. |
| Current assets:                                  |                             |        |           |           |         |         |                |           |                   |                 |         |          |         |
| Cash   | 3                           | 21     | 1         |           |         |         | 25             | 2         |                   | 3,045           |         | 3,047    | 3,072   |
| Marketable securities                            |                             |        |           |           |         |         |                |           |                   | 83              |         | 83       | 83      |
| Trade receivables, net                           | 341                         | 4,786  | 2,402     |           |         |         | 7,529          | 1,072     |                   |                 |         | 1,072    | 8,601   |
| Inventories                                      | 125                         | 3,621  | 2,175     | 279       |         |         | 6,200          | 1,821     |                   |                 |         | 1,821    | 8,021   |
| Prepaid expenses                                 | 51                          | 470    | 318       | 52        |         |         | 891            | 330       | 3                 | 277             |         | 610      | 1,501   |
| Deferred income taxes                            |                             |        |           |           |         |         |                |           |                   |                 |         |          |         |
| Other current assets                             | 79                          | 358    | 576       | 29        |         |         | 1,042          | 295       | 27                | 2               |         | 324      | 1,366   |
| Total current assets                             | 599                         | 9,256  | 5,472     | 360       |         |         | 15,687         | 3,520     | 30                | 3,407           |         | 6,957    | 22,644  |
| Plant & equipment                                |                             |        |           |           |         |         |                |           |                   |                 |         |          |         |
| Land   | 146                         | 1,420  | 169       | 439       |         |         | 2,174          | 121       |                   |                 |         | 121      | 2,295   |
| Buildings  | 2,590                       | 2,789  | 2,322     | 3,442     |         |         | 11,143         | 2,348     |                   | 36              |         | 2,384    | 13,527  |
| Machinery & equipment                            | 15,777                      | 44,301 | 14,269    | 9,802     |         |         | 84,149         | 25,219    |                   | 101             |         | 25,320   | 109,469 |
|  | 18,513                      | 48,510 | 16,760    | 13,683    |         |         | 97,466         | 27,688    |                   | 137             |         | 27,825   | 125,291 |
| Accumulated depreciation                         | 16,114                      | 42,778 | 14,025    | 11,027    |         |         | 83,944         | 24,667    |                   | 86              |         | 24,753   | 108,697 |
| Plant & equipment, net                           | 2,399                       | 5,732  | 2,735     | 2,656     |         |         | 13,522         | 3,021     |                   | 51              |         | 3,072    | 16,594  |
| Plant & equipment of discontinued operations     |                             |        |           |           |         |         |                |           | 1,159             |                 |         | 1,159    | 1,159   |
| Goodwill   |                             |        |           |           |         | 7,623   | 7,623          |           |                   |                 |         |          | 7,623   |
| Deferred financing expenses                      |                             |        |           |           |         |         |                |           |                   |                 |         |          |         |
| Other assets                                     |                             | 48     | 361       |           |         |         | 409            | 17        |                   | 72              |         | 89       | 498     |
| Total assets                                     | 2,998                       | 15,036 | 8,568     | 3,016     |         | 7,623   | 37,241         | 6,558     | 1,189             | 3,530           |         | 11,277   | 48,518  |
| LIABILITIES & STOCKHOLDERS' DEFICIT              |                             |        |           |           |         |         |                |           |                   |                 |         |          |         |
| Current liabilities:                             |                             |        |           |           |         |         |                |           |                   |                 |         |          |         |
| Accounts payable                                 | 1,151                       | 3,349  | 946       | 387       |         | (4,114) | 1,719          | 1,388     |                   | 1,394           | (2,128) | 654      | 2,373   |
| Accrued income taxes                             |                             |        |           |           |         |         |                |           |                   |                 |         |          |         |
| Accrued interest expense                         |                             |        |           |           |         |         |                |           |                   |                 |         |          |         |
| Accrued expenses excl. interest and income taxes | 1,134                       | 930    | 496       | 206       |         |         | 2,766          | 509       |                   | 1,112           | (508)   | 1,113    | 3,879   |
| Short-term debt                                  |                             |        |           |           |         |         |                |           |                   |                 |         |          |         |
| Current portion of long-term debt                |                             |        |           |           |         |         |                |           |                   |                 |         |          |         |
| Current liabilities of discontinued operations   |                             |        |           |           |         |         |                |           | 325               |                 | (174)   | 151      | 151     |
| Total current liabilities                        | 2,285                       | 4,279  | 1,442     | 593       |         | (4,114) | 4,485          | 1,897     | 325               | 2,506           | (2,810) | 1,918    | 6,403   |
| Long-term debt, net of current portion           |                             |        |           |           |         |         |                |           |                   |                 |         |          |         |
| Long-term portion of post-retirement obligation  |                             | 150    |           |           |         |         | 150            | 88        |                   |                 |         | 88       | 238     |
| Other long-term liabilities                      |                             | 11     | 179       |           |         |         | 190            |           |                   |                 |         |          | 190     |
| Deferred income taxes                            |                             |        |           |           |         |         |                |           |                   |                 |         |          |         |
| Intercompany                                     | 713                         | 10,596 | 6,947     | 2,423     |         | 11,737  | 32,416         | 4,573     | 864               | 1,024           | 2,960   | 9,421    | 41,837  |
| Stockholders' deficit:                           |                             |        |           |           |         |         |                |           |                   |                 |         |          |         |
| Common stock                                     |                             |        |           |           |         |         |                |           |                   |                 |         |          |         |
| Add'l paid-in-capital                            |                             |        |           |           |         |         |                |           |                   |                 |         |          |         |
| Accumulated deficit                              |                             |        |           |           |         |         |                |           |                   |                 |         |          |         |
| Treasury stock                                   |                             |        |           |           |         |         |                |           |                   |                 |         |          |         |
| Stockholders' deficit                            |                             |        |           |           |         |         |                |           |                   |                 |         |          |         |
| Total liabilities & stockholders' deficit        | 2,998                       | 15,036 | 8,568     | 3,016     |         | 7,623   | 37,241         | 6,558     | 1,189             | 3,530           |         | 11,277   | 48,668  |

## LEXINGTON PRECISION CORPORATION

### Projected Liquidation Value at August 31, 2009

(in thousands of dollars)

|                        |              | Lexington Rubber Group, Inc. |        |           |           |         |         |          | Lexington Precision Corporation (Parent) |                |              |         |          | Consol. |
|------------------------|--------------|------------------------------|--------|-----------|-----------|---------|---------|----------|--|----------------|--------------|---------|----------|---------|
|                        |              | Warren                       | Jasper | Rock Hill | N. Canton | Ellijay | Other   | Subtotal | Rochester                                | Discont. Oper. | Corp. Office | Other   | Subtotal |         |
| ASSETS:                |              |                              |        |           |           |         |         |          |  |                |              |         |          |         |
| Cash                   | 100% NBV     | 3                            | 21     | 1         |           |         |         | 25       | 2  |                | 3,045        |         | 3,047    | 3,072   |
| Marketable securities  | 100% NBV     |                              |        |           |           |         |         |          |  |                | 83           |         | 83       | 83      |
| Trade receivables, net | 100% NBV     | 341                          | 4,786  | 2,402     |           |         |         | 7,529    | 1,072                                    |                |              |         | 1,072    | 8,601   |
| Inventories            | 100% NBV     | 125                          | 3,621  | 2,175     | 279       |         |         | 6,200    | 1,821                                    |                |              |         | 1,821    | 8,021   |
| Prepaid expenses       | 91.8% NBV    | 47                           | 431    | 292       | 48        |         |         | 818      | 303                                      |                | 254          |         | 557      | 1,375   |
| Other current assets   | 100% NBV     | 79                           | 358    | 576       | 29        |         |         | 1,042    | 295                                      | 27             | 2            |         | 324      | 1,366   |
| Total current assets   |              | 595                          | 9,217  | 5,446     | 356       |         |         | 15,614   | 3,493                                    | 27             | 3,384        |         | 6,904    | 22,518  |
| Real estate            | 80% FMV - 6% | 1,504                        | 1,579  | 1,354     | 1,918     | 3,580   |         | 9,934    | 752                                      | 1,241          |              |         | 1,993    | 11,927  |
| Equipment              | 94.0% FLV    | 1,232                        | 2,279  | 863       | 1,967     |         |         | 6,341    | 2,584                                    |                |              |         | 2,584    | 8,925   |
| Aftermarket tooling    | 50% Cost     |                              | 3,502  |           |           |         |         | 3,502    |  |                |              |         |          | 3,502   |
| Total assets           |              | 3,331                        | 16,578 | 7,663     | 4,240     | 3,580   |         | 35,391   | 6,829                                    | 1,268          | 3,384        |         | 11,481   | 46,872  |
| LIABILITIES:           |              |                              |        |           |           |         |         |          |  |                |              |         |          |         |
| Accounts payable       | 100% NBV     | 1,151                        | 3,349  | 946       | 387       |         | (4,114) | 1,719    | 1,388                                    |                | 1,394        | (2,128) | 654      | 2,373   |
| Accrued expenses       | 100% NBV     | 1,134                        | 930    | 496       | 206       |         |         | 2,766    | 509                                      | 325            | 1,112        | (508)   | 1,438    | 4,204   |
| Total liabilities      |              | 2,285                        | 4,279  | 1,442     | 593       |         | (4,114) | 4,485    | 1,897                                    | 325            | 2,506        | (2,636) | 2,092    | 6,577   |
| Net assets             |              | 1,046                        | 12,299 | 6,221     | 3,647     | 3,580   | 4,114   | 30,906   | 4,932                                    | 943            | 878          | 2,636   | 9,389    | 40,295  |